

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION	DOCKET UE-240891
Complainant,	ORDER 09
v.	
AVISTA CORPORATION, D/B/A AVISTA UTILITIES	APPROVING PAYMENT
Respondent.	

BACKGROUND

- 1 On October 31, 2024, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) proposed revisions to its rates under electric service tariff, Tariff WN U-28, Schedule 99 Colstrip Tracker to recover the Company’s portion of investments in the Colstrip Steam Electric Station (Colstrip). Avista requested a revenue increase of \$18.2 million, or 2.7 percent, from \$23.9 million in 2024 to \$42.6 million, and to recover that balance from customers effective January 1, 2025, over the 2025 calendar year.¹ Under the initial filing, the rate increase became effective January 1, 2025.
- 2 Between March 3, 2025, and March 6, 2025, NW Energy Coalition (NWEC) and Alliance of Western Energy Consumers (AWEC) each filed Petitions for Intervention, Requests for Case Certification, and a Notice of Intent to Request a Fund Grant, notifying the parties and the Commission of their intent to seek a Fund Grant from the Avista Customer Representation Sub-Fund.

¹ Kinney, Exh. SJK-1T at 2:8-16. *See also* Kinney, Exh. SKJ-9C (confidential native workpapers) and SJK-10 (for non-confidential workpapers). The difference between the 2024 Tariff 99 balance for revenue requirement (AMA basis) versus the 2025 Tariff 99 balance (AMA basis) is an increase of \$18.7 million. However, when the total revenue requirement runs through the rate design workpapers based on load and allocation factors, the required change in revenue is \$18.2 million as provided in witness Kinney’s testimony referenced above.

- 3 On March 21, 2025, the Commission granted case certification status to NWEC and AWEC and by April 07, 2025, both timely filed their proposed budgets and requests for fund grants, with NWEC requesting \$60,000, and AWEC requesting \$30,000 from Avista's Customer Representation Sub-Fund. Both AWEC and NWEC indicated they intended to investigate all economic and policy aspects of Avista's filing, including the prudence of various capital investments related to Colstrip Units 3 and 4,² and that the funding would partially offset the costs of staff, operational support, and expert witnesses required for the proceeding.³
- 4 On May 12, 2025, NWEC filed a Motion to Revise its Proposed Budget pursuant to Washington Administrative Code (WAC) 480-07-375, seeking to reduce the proposed budget from \$60,000 to \$50,000. NWEC also provided further explanations to support its request for a larger budget than AWEC.
- 5 On May 27, 2025, the Commission entered Order 04, granting NWEC's Motion to Revise its Proposed Budget and it approved AWEC's proposed budget of \$30,000, and NWEC's revised proposed budget of \$50,000.⁴
- 6 On December 19, 2025, the Commission entered Order 08 Final Order in this proceeding.
- 7 On January 16, 2026, AWEC filed a confidential Request for Payment of Sub-Fund Grant, requesting \$30,000, and on February 17, 2026, NWEC filed its' confidential Request for Payment of Sub-Fund Grant, requesting \$50,000 from the Avista Customer Representation Sub-Fund.

DISCUSSION

- 8 Pursuant to Revised Code of Washington (RCW) 80.28.430, a gas or electrical company must, upon request, enter into funding agreements with organizations that represent broad customer interests. The Commission is directed to determine the amount of financial assistance, if any, that may be provided to any organization; the way the financial assistance is distributed; the way the financial assistance is recovered in a gas or electrical company's rates; and other matters necessary to administer the agreement.⁵

² Proposed Budget for Fund Grant of the Alliance of Western Energy Consumers at 2 ¶ 8.

³ Proposed Budget for Fund Grant of NW Energy Coalition's Proposed Budget at 1 ¶ 2.

⁴ *Washington Utilities and Transportation Commission v. Avista Corporation, d/b/a Avista Utilities*, Docket UE-240891, Order 04 at 8-10 ¶¶ 24-33 (May 27, 2025).

⁵ RCW 80.28.430(2).

- 9 On November 19, 2021, the Commission issued a Policy Statement on Participatory Funding for Regulatory Proceedings (Policy Statement).⁶ The Commission provided “high-level guidance regarding the amount of financial assistance that may be provided to organizations, the manner in which it is distributed to participants and recovered in the rates of gas or electrical companies, and other matters necessary to administer agreements.”⁷ The Commission indicated that the Policy Statement was an evolving document, stating “as we implement the first round of funding arrangements, we look forward to what we expect will be many lessons learned. These lessons will inform future iterations of Washington’s participatory funding program, including the possibility of a rulemaking to codify best practices into Commission rules.”⁸
- 10 On February 24, 2022, the Commission issued Order 01, Approving Agreement with Modifications (Order 01).⁹ The Commission approved the First Interim Agreement filed by the parties on February 14, 2022, subject to certain modifications, and adopted the First Interim Agreement as Attachment A to Order 01. Among other points, the Commission clarified that it is not bound by the timeframes set forth in the Interim Agreement.¹⁰ On February 9, 2023, the Commission issued Order 02, Approving Agreement Subject to Condition; Requiring Refiling of Modified Agreement (Order 02).¹¹ Order 02 approved of the Second Interim Agreement, subject to condition, and required the parties to refile the agreement as modified by the Commission.
- 11 On April 11, 2025, the Commission issued Order 03, Approving Agreement; Subject to Conditions (Order 03), updating the agreement among the utilities subject to conditions (Third Interim Agreement).¹² The Commission ordered the utilities subject to Order 03, among other things, to submit a biannual filing in Docket U-210595, once every six

⁶ *In the Matter of the Commission’s Examination of Participatory Funding Provisions for Regulatory Proceedings*, Docket U-210595, Policy Statement on Participatory Funding for Regulatory Proceedings (Nov. 19, 2021).

⁷ *Id.* at 1 ¶ 3.

⁸ *Id.* at 5 ¶ 17.

⁹ *In the Matter of the Petition of Puget Sound Energy, et al.*, Docket U-210595, Order 01 (Feb. 24, 2022).

¹⁰ *Id.* at 4 ¶ 11.

¹¹ *In the Matter of the Petition of Puget Sound Energy, et al.*, Docket U-210595, Order 02 (Feb. 9, 2023).

¹² *In the Matter of the Commission’s Examination of Participatory Funding Provisions for Regulatory Proceedings*, Docket U-210595, Order 03 at 6-9 ¶¶ 22, 33-36 (April 11, 2025).

months, showing the fund balances and requests pending approval, with the first filings to be submitted no later than July 1, 2025.¹³

12 In relevant part, the Third Interim Agreement requires that a party seeking funding must submit a Request for Payment to the Commission. The Request for Payment must:

(a) Itemize the expenses, payees and hourly rates for amounts to be reimbursed, including billing details, and including separately identified amounts for consultant or expert witness fees and travel expenses per calendar year;

(b) Demonstrate that the expenses are reasonable and are directly attributable to issues and positions pursued on behalf of customers and consistent with the Participating Organization's proposed budget;

(c) Provide information sufficient to show that the Participating Organization has complied with any condition or requirement of the Fund Grant; and

(d) Specify whether the request for payment is for interim funding, in the case of Prioritized Organizations only, or final payment in full and indicate whether any approved budget amount may be released back to the applicable Consumer Access Sub-Fund because the Participating Organization does not intend to request payment for the full approved budget amount.¹⁴

13 The Commission may disallow, in whole or in part, a Request for Payment if it determines that the request seeks reimbursement for (a) expenses that are not Eligible Expenses,¹⁵ or (b) expenses that are inconsistent with the Participating Organization's Consumer Access Fund Grant or any conditions placed on the Consumer Access Fund Grant.¹⁶ Upon authorization of payment, the Commission will make a determination on how to recover the Fund Grants from the various customer classes of the affected Participating Public Utility.¹⁷ Additionally, the Commission may determine whether Fund Grants that were used to advocate positions on behalf of a broad cross-section of customers should be assessed against all customers or multiple customer classes, to fairly align the costs of the advocacy with the intended potential beneficiaries of the advocacy.

¹³ *Id.* at 6-7 ¶ 22 (April 11, 2025).

¹⁴ Third Interim Agreement at 12-14 § 7.1.

¹⁵ Third Interim Agreement at 14-15 § 7.3.

¹⁶ Third Interim Agreement at 16-17 § 7.6.

¹⁷ Third Interim Agreement at 17 § 7.7.

- 14 After considering the requirements set forth in Sections 7.1, 7.3, and 7.6 of the Third Interim Agreement, the Commission determines that AWEC's request for payment of \$30,000 and NWECC's request for payment of \$50,000 should be approved. Funding will come out of the allocations for the year that the proposed budget is approved.
- 15 Avista must pay the above requests for payment as directed within 30 days of the entry of this Order.¹⁸

ORDER

THE COMMISSION ORDERS:

- 16 (1) Alliance of Western Energy Consumers' Request for Payment of Sub-Fund Grant from the 2025 Avista Customer Representation Sub-Fund is APPROVED in the amount of \$30,000.
- 17 (2) NW Energy Coalition's Request for Payment of Fund Grant from the 2025 Avista Customer Representation Sub-Fund is APPROVED in the amount of \$50,000.

Dated at Lacey, Washington, and effective April 13, 2026.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Amy Bonfrisco
AMY BONFRISCO
Administrative Law Judge

/s/ Ann Paisner
ANN PAISNER
Administrative Law Judge

NOTICE TO PARTIES: This is an Interlocutory Order of the Commission. Administrative review may be available through a petition for review, filed within 10 days of the service of this Order pursuant to WAC 480-07-810.

¹⁸ Third Interim Agreement at 17 § 7.8.